

## **CONTRACTUAL SERVICES**

Contractual services are budgeted in Comptroller Object group 08.

The components of complex "lump sum" line-item requests should be detailed and well justified on a Form DBM-DA-2 with rates and units of service for all components. **Line-item requests for simpler amounts may be justified using the "fifty character" field allowed for each line-item in the submission of machine-readable budget data.** The justification of each contractual service line-item should explain how the request for each line-item was determined. Examples may include:

- Planned actual cost of the next year of an approved multi-year contract
- Three-year average of expenditures plus inflation
- Current contract plus inflation
- Projected rate times units of service

**Schedule of Contracts/Interagency Agreements** (Form DBM-DA-23) is to be completed for each program or subprogram with contracts or interagency agreements. Where contracts are funded in various subprograms, make an entry for each funding component and create a total for the contract.

- Each contract greater than \$25,000 is to be listed separately.
- Contracts less than \$25,000 should be included on one line (not listed separately) for each subprogram. Subprogram totals will equal actual, appropriation, and request amounts at the subobject level of detail. Please provide a subtotal for each subprogram.

**NOTE:** Section 28 of the FY 2006 Budget requires that any agreements between State agencies and any public higher education institutions, or between two or more State agencies, involving an expenditure of more than \$100,000 must be published in the Maryland Contract Weekly and reported to the:

- Budget Committees;
- Department of Legislative Services; and
- Board of Public Works.

The reports must include information on the creation of positions related to the agreement. In preparing the FY 2007 budget request, agencies should continue to report planned agreements using Form DA-23, but with the awareness that the legislature may again require notification before agreements are implemented.